

**Appropriations Committee
Health Subcommittee
February 24, 2022**

**Public Hearing on:
House Bill 5037 AAC the State Budget for the Biennium Ending June 30th,
2023
(Department of Developmental Services)**

Good afternoon Senator Osten, Representative Walker, Senator Miner, Representative France and members of the Appropriations Committee. My name is Susan Brosseau and I am the Chief Financial Officer at Adelbrook Behavioral and Developmental Services. I am a CPA with more than 35 years' experience in the private sector, working with both for profit and nonprofit businesses. My testimony tonight relates to my current employer Adelbrook, which is a community nonprofit organization.

At Adelbrook, we provide education and residential services to children and young adults with Autism Spectrum Disorder and I/DD. We serve the individuals in CT who have the highest level of need. Many of the individuals we serve are finally able to leave a hospital setting when they are placed with Adelbrook. Our students and residents may require 1-1 or 2-1 staffing for their own safety and the safety of others. Some of our residents are nonverbal. This level of services is our area of expertise and it is our mission.

Whenever I prepare my testimony for this committee, I always include the fact that in my work as a CPA, I have worked in the private sector with both for profit and nonprofit businesses. The reason I do that is because I can say that based on my experience, community nonprofits are treated differently than for profit businesses when it comes to being paid for services performed. So here is the result of being treated differently, which is the bad news, but with your leadership and support will remain in the past. Through fiscal 2021, community nonprofits were required to return any surplus from their programs for the year to the state, rather than being allowed to maintain a small cash reserve, purchase needed capital improvements or invest in new programs. This has resulted in community nonprofits struggling financially, year after year, in ways that for profit businesses would find unsustainable and frankly unacceptable. Community nonprofits prior to fiscal 2022 did not receive a COLA from the state for 14 years. Again, a for profit vendor who was not mission driven would have given up long ago. But there is good news: about

a year ago you approved a 4% COLA for community nonprofits. I am so appreciative. And now I respectfully ask you to honor the long term plan to address 14 years of underfunding of community nonprofits and increase funding this year by an additional \$461 million, or 8% in total for FY23. This increase I can assure you will be invested back in our programs. Why are these increases so important now?

Human service organizations like Adelbrook are now in competition for staff with companies like Amazon and Target that require no specialized training, are paying more than we can and offering hiring incentives. Frankly, the work at Amazon and Target requires far less responsibility than working to support the welfare of Connecticut's most vulnerable citizens. Every week we lose staff for whom we have performed background checks and other required onboarding, trained and then placed in homes with individuals with specific needs, to these types of low skill but higher paying positions.

The increase in the budget that you approved a year ago, while very much appreciated, has quickly been absorbed by rising costs. Over the last year, inflation rose by almost six percent, surpassing the 4% COLA in the current year's budget. The pressure remains on us to raise salaries to compete with either other private sector vendors like Amazon or Target, or human services positions at the State that pay more than community nonprofits in the private sector can offer.

Last year's Group Home Settlement provided significant funding to increase the minimum wage for direct support staff in DDS agencies.

However, this settlement also created significant challenges:

- First, the terms of the settlement provided wage increases of as much as 11.6% for entry level staff, which next year will increase to 14.5%. That by itself is fantastic. But the agreement only provided a 3% increase to everyone else, resulting in long-term staff and supervisors being paid only a little more than the new hire.
- Second, the funding dedicated a pool of dollars to enhance employee benefits, but to date none of that funding has been disbursed to providers. We understand it to total less than half what providers have told DDS they would need.

The compression of wages in the group home settlement is a result of the community nonprofits not being allowed to manage their finances in the same manner as other private sector entities. A COLA that allows community nonprofits to spend the funds as they determine best suits their mission and the population they serve, especially

after so many years without a COLA, would go a long way in bringing financial sustainability to the community nonprofits, as well as fairness when compared to for profit organizations.

Thank you very much for your attention today.